

AMENDED IN ASSEMBLY MARCH 25, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

**ASSEMBLY BILL**

**No. 998**

**Introduced by Assembly Member Lowenthal**

February 20, 2003

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An act to add Article 9.1 (commencing with Section 41998) to Chapter 3 of Part 4 of Division 26 of the Health and Safety Code, relating to air quality, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 998, as amended, Lowenthal. Air quality: Nontoxic ~~Dry-cleaning~~ *Dry Cleaning Incentive grant program* ~~Program~~.

Existing law designates the State Air Resources Board as the state agency charged with coordinating efforts to attain and maintain ambient air quality standards.

This bill would require the state board to impose a \$3 *per-gallon* fee ~~on every person that purchases a gallon of~~ *on every manufacturer of perchloroethylene in the state, and every person that imports perchloroethylene in* into the state, and to deposit the revenues generated by that fee in the Nontoxic Dry Cleaning Incentive Trust Account, which would be established in the Air Pollution Control Fund by the bill. *The bill would increase that fee by \$1 each year until 2013, inclusive.* The bill would authorize moneys deposited in the account to be continuously appropriated, without regard to fiscal years, for expenditure by the state board to fund a *grant program and demonstration* program, and would require ~~that program~~ *those programs* to be developed by the state board. The *grant* program would provide \$10,000 grants to any eligible dry cleaner in the state that

utilizes perchloroethylene in its operations to aid its transition to ~~utilizing non-toxic alternatives~~ dry cleaning systems determined by the state board to be nontoxic and nonsmog-forming. The bill would require the state board to ensure that 50% of the grant moneys are awarded in a manner that directly benefits low-income communities and communities of color that are disproportionately impacted by air pollution. The bill would require the state board, commencing January 1, 2007, and every 3 years thereafter, to provide a report to the Legislature evaluating the effectiveness of the grant program. The bill would require the demonstration program to be funded 50% by local matching funds.

Vote: majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. The Legislature finds and declares all of the  
2 following:

3 (a) State and federal scientific health agencies have determined  
4 that perchloroethylene is either a probable, possible, or known  
5 carcinogen.

6 (b) Occupational health studies have found elevated rates of  
7 lung, cervical, bladder, and other cancers in dry cleaning workers.

8 (c) Laboratory studies have found increased numbers of  
9 cancerous tumor in animals exposed to perchloroethylene.

10 SEC. 2. Article 9.1 (commencing with Section 41998) is  
11 added to Chapter 3 of Part 4 of Division 26 of the Health and Safety  
12 Code, to read:

13  
14 Article 9.1. Nontoxic Dry Cleaning Incentive Program  
15

16 41998. (a) (1) The state board shall impose a three dollar  
17 (\$3.00) ~~fee on every person that purchases a gallon of~~  
18 ~~perchloroethylene in the state.~~ *per gallon fee on every*  
19 *manufacturer of perchlorethylene in the state and every person*  
20 *that imports perchloroethylene into the state.*

21 (2) *The amount of the fee imposed pursuant to paragraph (1)*  
22 *shall increase by one dollar (\$1.00) per gallon on January 1, 2005,*  
23 *and shall increase by one dollar (\$1.00) each subsequent year,*  
24 *until January 1, 2013, inclusive.*

(b) Moneys generated by the fee imposed pursuant to subdivision (a) shall be deposited in the Nontoxic Dry Cleaning Incentive Trust Account, which is hereby established in the Air Pollution Control Fund.

(c) Moneys deposited in the Nontoxic Dry Cleaning Incentive Trust Account are, notwithstanding Section 13340 of the Government Code, continuously appropriated, without regard to fiscal years, to the state board to fund the grant program described in Section 41999 *and to fund the demonstration project described in subdivision (f) of Section 41999. The state board shall allocate, from the moneys derived from the imposition of the fee pursuant to this section, moneys that it determines are sufficient to fund the demonstration project described in subdivision (f) of Section 41999, and shall utilize the remaining moneys to fund the grant program.*

(d) Not more than 5 percent of the moneys in the account, calculated annually, may be utilized by the state board to ~~administer the grant program.~~ *administer both the grant and demonstration program.*

41999. (a) The state board shall develop and establish a grant program that provides incentives for dry cleaners in the state that utilize perchloroethylene in their operations to transition to utilizing ~~nontoxic alternatives~~ *dry cleaning systems determined by the state board to be nontoxic and nonsmog-forming.*

(b) *To be eligible for a grant pursuant to this section, applicants shall completely replace their perchlorethylene-based dry cleaning system with a system that the state board has determined to be nontoxic and nonsmog-forming.* The state board shall determine the eligibility of grant recipients.

(c) The state board shall make grants available in the amount of ten thousand dollars (\$10,000) to any eligible dry cleaning operation for the purchase of ~~new equipment to aid in that operation's transition to a non-toxic dry cleaning process, as a professional dry cleaning system that uses a nontoxic and nonsmog-forming process,~~ as determined by the state board.

(d) *The state board shall ensure that at least 50 percent of the grant moneys provided pursuant to this section are awarded in a manner that directly benefits low-income communities and communities of color that are disproportionately impacted by air pollution.*

1     (e) Commencing January 1, 2007, and every three years  
2     thereafter, the state board shall provide a report to the Legislature  
3     evaluating effectiveness of the grant program.

4     (f) The state board shall establish a demonstration program to  
5     showcase professional nontoxic and nonsmog forming dry  
6     cleaning technologies in the state. The demonstration program  
7     shall require that a local agency, including, but not limited to, an  
8     air pollution control district, air quality management district, or  
9     public utility district, provide 50 percent matching funds to cover  
10    the costs of the demonstration program.

